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HANOI 00762 01 OF 03 031013Z PAGE 01

ACTION EAP-00

LOG-00 NP-00 ACQ-00 CIAE-00 DOTE-00 DS-00 FAAE-00 FBIE-00 VC-00 TEDE-00 INR-00 IO-00 OIC-02 IRM-00 SSO-00 DSCC-00 DRL-02 NSAE-00 SS-00

NFAT-00 SAS-00 /004W

----DAB023 031015Z /38

FM AMEMBASSY HANOI TO SECSTATE WASHDC IMMEDIATE 2426 ASEAN COLLECTIVE USMISSION USUN NEW YORK SECDEF WASHDC NSC WASHDC JOINT STAFF WASHDC DIA WASHDC USCINCPAC HONOLULU HI//J5/FPA/JTF-FA//

C O N F I D E N T I A L SECTION 01 OF 03 HANOI 000762

STPDTS

DEPT FOR EAP/BCLTV

UNCINCPAC FOR FPA SECDEF ALSO FOR ISA/EA/LSTERN

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SIPDIS

E.O. 12958: DECL:(INDEFINITE)

TAGS: PINR PGOV PREL VM

SUBJECT: USG OBJECTIVES IN THE NORMALIZATION OF RELATIONS WITH VIETNAM

- (U) CLASSIFIED BY DENNIS G. HARTER, DCM, 1.5 B AND D
- (C) INTRODUCTION: THE FOLLOWING IS THE FIRST OF A TWO-PART ANALYSIS OF THE STATE OF U.S.-VIETNAM RELATIONS. IT FOCUSES ON THE BACKGROUND OF "NORMALIZATION" AND WHAT HAS BEEN ACHIEVED TO MEET USG AS WELL AS VIETNAMESE INTERESTS. IT WILL BE FOLLOWED BY A SECOND MESSAGE THAT DELINEATES A SIGNIFICANT NUMBER OF FRICTIONS IN THE BILATERAL RELATIONSHIP WHICH HAVE DEVELOPED OVER THE LAST SEVERAL MONTHS. THESE FRICTIONS ARE EXACERBATED BY THE RECENT AND CONTINUING POWER STRUGGLE AMONG VIETNAMESE LEADERS OVER PERSONAL STATUS AND STATURE IN THE COMMUNIST PARTY HIERARCHY AND OVER THE PACE OF POLITICAL AND ECONOMIC REFORM TO BE FOLLOWED IN THE COMING YEARS. FAILURE TO TAKE NOTE OF THESE SENSITIVITIES IN CARRYING OUT USG POLICY OBJECTIVES COULD RESULT IN A SERIOUS SETBACK TO BILATERAL RELATIONS AND TO THE SIGNIFICANT SUCCESS WE HAVE HAD IN BUILDING A NEW AND CONSTRUCTIVE RELATIONSHIP WITH A FORMER ENEMY. INTRODUCTION.
- 12. (C) LESS THAN FIFTEEN YEARS AGO, THE RELATIONSHIP BETWEEN THE U.S. AND VIETNAM WAS ONE OF HOSTILITY. VIETNAM'S DECISION TO INVADE CAMBODIA IN 1978 CREATED AN INTERNATIONAL UPROAR. THE UNILATERAL U.S. EMBARGO AND ISOLATION POLICY BECAME AN INTERNATIONAL POLICY, EXCLUDING VIETNAM FROM VIRTUALLY ALL "NORMAL' CONFIDENTIAL
- HANOI 00762 01 OF 03 031013Z PAGE 03 FROM A VERY SLOW BUT STEADY BEGINNING, DEALINGS. UNITED STATES AND VIETNAM HAVE TURNED THIS HOSTILITY INTO AN UNPRECEDENTED SCOPE OF COOPERATION AND SHARED BENEFIT. ANNUAL MISSION AND INTER-AGENCY REVIEWS OF NATIONAL OBJECTIVES IN VIETNAM HAVE CONFIRMED THE HIGH PRIORITY WE HAVE ATTACHED TO THEIR ACHIEVEMENT.
- (C) THE SUCCESSES HAVE BEEN CONCLUDED VERY QUICKLY, WITH MOST OF THE BENEFITS HAVING BEEN ACHIEVED IN THE FIVE AND A HALF YEARS SINCE THE ESTABLISHMENT OF DIPLOMATIC RELATIONS. THUS, IT IS PERHAPS NOT READILY PERCEIVED IN THE U.S. THAT THIS RELATIONSHIP REMAINS FRAGILE AND STILL SUBJECT TO BEING PULLED APART BY MISPERCEPTIONS OF POLICY ON BOTH SIDES. VIETNAM'S LEADERSHIP STRUCTURE REMAINS IN A STATE OF TRANSITION, MOVING FROM AN ELDER GENERATION OF WAR-TIME HEROES TO A NATION WHERE THE QUESTIONS OF EDUCATION, ECONOMIC WELL-BEING, AND INTERNATIONAL

INTEGRATION ARE FAR MORE IMPORTANT THAN IDEOLOGIES BASED ON COMMUNIST THEORY. THE LEADERS ARE SENSITIVE TO THE FEAR THAT U.S. FAILURE TO OVERTHROW VIETNAM'S COMMUNIST STATE BY WAR HAS ONLY BEEN REPLACED BY A "PLAN" TO DO SO THROUGH "PEACEFUL EVOLUTION" AND AN UNDERMINING OF THE AUTHORITY OF THE COMMUNIST SYSTEM.

- 14. (C) THE LATE 1980'S COLLAPSE OF THE SOVIET UNION AND EASTERN EUROPE'S COMMUNIST SYSTEM, CONVINCED VIETNAM'S LEADERS THEY COULD NOT SURVIVE IN THE WORLD WITHOUT ADJUSTING THE COUNTRY'S DOMESTIC POLICY (THE GENESIS OF "DOI MOI" ECONOMIC REFORMS) AND ITS FOREIGN POLICY (GETTING OUT OF CAMBODIA). THE USG REACTION, CONFIDENTIAL
- PAGE 04 HANOI 00762 01 OF 03 031013Z FORMULATED BY THEN PRESIDENT BUSH AND HIS ADVISORS, WAS TO BUILD A STEP-BY-STEP EXPANSION OF OFFICIAL CONTACTS WITH THE VIETNAMESE. THESE CONTACTS WERE PREDICATED ON HANOI'S WITHDRAWAL FROM CAMBODIA AND THE START-UP OF A DEMOCRATIC ELECTION PROCESS IN THAT COUNTRY. THESE STEPS WERE PARALLELED BY A STRUCTURED AND INTENSIFIED USG ATTENTION TO RESOLVING RESIDUAL POW/MIA ISSUES WITH VIETNAMESE COOPERATION.
- 15. (C) THE EVOLUTION OF THIS PROCESS IN THE EARLY 1990'S RESULTED IN VIETNAM'S RESUMPTION AND INITIATION OF DIPLOMATIC RELATIONS AROUND THE WORLD AND ITS MEMBERSHIP IN ASEAN AND THE ASEAN REGIONAL FORUM (ARF). VIETNAM BEG AN A RAPPROCHEMENT WITH CHINA AND SUBSEQUENT DIALOGUE WITH THE PRC LED TO THE CONCLUSION OF A LAND AND GULF OF TONKIN BORDER DEMARCATION THAT HAD VEXED THE TWO COUNTRIES FOR THOUSANDS OF YEARS. VIETNAM WELCOMED INTERNATIONAL DONOR ASSISTANCE FROM THE WORLD BANK, IMF, ADB AND A HOST OF BILATERAL CONTRIBUTORS TO REBUILD ITS ECONOMY. VIETNAM'S ECONOMIC AND POLITICAL REINTEGRATION TO THE WORLD AND THE REGION SERVED TO DIMINISH THE AREAS OF CONTENTION AND BUILD A NEW POSSIBILITY FOR COOPERATION AND PEACE WHERE THERE HERETOFORE HAD BEEN ALMOST CONTINUOUS CONFLICT SINCE WORLD WAR II. (OTHER PARTS OF THE WORLD HAVE STILL NOT YET ACHIEVED THAT STABILITY SINCE WORLD WAR II.)
- 16. (C) BILATERALLY WITH THE U.S., A SERIES OF DIALOGUES TO IMPROVE MIA-RELATED WORK RESULTED IN THE ESTABLISHMENT OF AN OFFICIAL USG PRESENCE IN HANOI FOR THE FIRST TIME SINCE THE 1950'S. THIS PRESENCE GRADUALLY PROGRESSED UNDER THE CLINTON ADMINISTRATION TO A STEP-BY-STEP OPENING UP OF DIRECT AND NORMAL RELATIONS. FROM THE LIFTING OF THE TRADE EMBARGO IN FEBRUARY OF 1994 TO THE ENTRANCE ON DUTY OF THE FIRST AMBASSADOR IN MAY 1997, THE U.S. AND VIETNAM ENGAGED IN A PROCESS OF NORMALIZING RELATIONS DESIGNED TO BUILD CONFIDENCE ON BOTH SIDES ABOUT WHAT COULD BE ACCOMPLISHED. IN ADDITION TO THE U.S. GOAL OF DEALING WITH VIETNAM AS AN "INDEPENDENT" NATION, THE U.S. WAS ALSO LOOKING MORE BROADLY AT A GROWING CONCERN ABOUT CHINA'S MILITARY AND ECONOMIC MIGHT. THE U.S. SAW VIETNAM AS A USEFUL "PARTNER" BECAUSE OF SHARED CONCERNS OVER CHINA. VIETNAM'S INVOLVEMENT IN AND WITH ASEAN WAS SEEN AS A WAY IN WHICH THE SOUTHWARD ADVANCE OF CHINA'S INFLUENCE MIGHT BE LESS CERTAIN.
- 17. (C) THE DIRECT RESULT OF THIS ENGAGEMENT HAS BEEN CONFIDENTIAL
- PAGE 03 HANOI 00762 02 OF 03 031014Z
 A TWENTY PERCENT REDUCTION IN OUR LISTS OF UNACCOUNTED
 FOR AMERICANS THROUGH REPATRIATION AND IDENTIFICATION
 OF REMAINS AND AN EVEN MORE SIGNIFICANT CONCLUSION
 CONSIDERED RECOVERABLE. VIETNAM'S MEMBERSHIP IN ASEAN
 AND ARF WAS EXPANDED TO INCLUDE APEC IN 1998 AND OUR
 INTERNATIONAL DIALOGUE AND COOPERATION NOW INCLUDES
 SHARED VOTING AND CANDIDATE SUPPORT WITHIN UN
 AGENCIES. EVEN BEFORE ESTABLISHING DIPLOMATIC
 RELATIONS, THE TWO SIDES ENGAGED IN PRIVATE DISCUSSION
 OF HUMAN RIGHTS ISSUES OF CONCERN TO THE U.S. AND WE
 HAVE SUBSEQUENTLY ADDED STRATEGIC POLICY TALKS AS WELL
 AS SPECIFIC REVIEW OF RELIGIOUS FREEDOM ISSUES AS
 SEPARATE DIALOGUES. WHILE WE STILL REMAIN FAR APART
 ON OUR VIEWS OF BASIC FREEDOMS, VIETNAM'S RECORD ON
 THESE FRONTS HAS BEEN ONE OF MEASURED IMPROVEMENT -MORE INDIVIDUAL FREEDOM OF SPEECH AND PRESS, MORE
 ACTIVE INDIVIDUAL INVOLVEMENT IN RELIGIOUS WORSHIP,
 MORE RELIGIOUS GROUPS OFFICIALLY SANCTIONED TO
 OPERATE, AND FEWER INDIVIDUALS THROWN INTO PRISON
 ARBITRARILY, TO NAME A FEW OF THE IMPROVEMENTS.
- 18. (C) U.S.-VIETNAM RELATIONS ALSO HAVE A MILITARY-TO- MILITARY DIMENSION, A DIRECT RESULT OF USG INTENTIONS TO REDUCE THE BASIS FOR SUSPICIONS BETWEEN THE TWO MILITARIES. VIETNAMESE PARTICIPATION IN MILITARY-RELATED PROGRAMS OPEN TO ASEAN MEMBERS AND HIGH-LEVEL VISITS, INCLUDING THE VISIT OF THEN

SECRETARY OF DEFENSE COHEN HAVE PROVIDED OPPORTUNITIES FOR THE TWO SIDES TO BETTER COMPREHEND THE OTHER'S OBJECTIVES. THIS PROCESS OF BUILDING UNDERSTANDING HAS BEEN SLOW, AND BOTH SIDES HAVE CERTAINLY CAREFULLY CONFIDENTIAL

- PAGE 04 HANOI 00762 02 OF 03 031014Z
 CALIBRATED EACH STEP IT WAS PREPARED TO TAKE. U.S.
 PROVISION OF INFORMATION RELATED TO VIETNAM'S
 BATTLEFIELD CASUALTIES, DISCUSSION OF CHEMICAL STORAGE
 AND SPILL SITES, AND RELEASE OF GEOGRAPHICAL AND
 TECHNICAL DATA RELATED TO AGENT ORANGE SPRAYING ALL
 HELP TO DEAL WITH GVN SENSITIVITIES IN WHICH THE
 MILITARY HAS TENDED TO TAKE AN ANTI-U.S. POSTURE OVER
 THE YEARS.
- 19. (C) AS IT WAS RE-ENGAGING DIPLOMATICALLY WITH THE VIETNAM WAS ALSO SHIFTING ITS ECONOMIC PRIORITIES FOR NATIONAL DEVELOPMENT. HANOI'S OBJECTIVES FOCUSED ON BUILDING MARKET-BASED MECHANISMS
 INTO THE STATE-RUN ECONOMY AND OPENING UP TO FOREIGN INVESTMENT. THIS PROCESS, IN TURN, LED TO THE NEGOTIATION AND CONCLUSION OF A BILATERAL TRADE .AGREEMENT (BTA). THIS AGREEMENT, A LANDMARK FOR BOTH COUNTRIES, WOULD PROVIDE BOTH SIDES REAL BENEFITS IN THE BILATERAL/INTERNATIONAL TRADING AND INVESTMENT ARENA. THE BTA BECAME COMPANIONED WITH A VARIETY OF OTHER ARRANGEMENTS INCLUDING AGREEMENTS ON IPR AND S&T COOPERATION WHICH COLLECTIVELY WILL LEAD VIETNAM TO A MORE TRANSPARENT SYSTEM WHICH CAN DIRECTLY CONTRIBUTE TO A BETTER LIVELIHOOD FOR ITS PEOPLE. U.S. AID AND HUMANITARIAN ASSISTANCE PROGRAMS ALSO BEGAN TO SHIFT TO DISASTER MITIGATION, ENABLING VIETNAM FOR THE FIRST TIME IN ITS HISTORY TO DEAL WITH THE RECURRING PROBLEMS OF FLOODS, TYPHOONS, AND OTHER FORMS OF NATURAL DISASTERS. PARTICIPATION IN THE GLOBAL U.S. HUMANITARIAN DEMINING PROGRAM PROVIDED A CONCRETE DEMONSTRATION OF U.S. INVOLVEMENT TO EASE THE CONSEQUENCES OF WAR. AND, U.S. EDUCATION PROGRAMS UNDER FULBRIGHT AND OTHER PRIVATE AND PUBLIC AUSPICES HAVE CREATED THE FOUNDATION OF A YOUNGER GENERATION WHICH LOOKS ON THE U.S. AS A SOURCE OF INSPIRATION AND NOT OF DEVASTATION.
- 110. (C) THE AVENUE FOR FURTHER U.S.-VIETNAM COOPERATION WAS OPENED WIDE AS A RESULT OF THE CLINTON VISIT LAST NOVEMBER. PUTTING BOTH CLOSURE TO THE WARTIME-ERA OF HOSTILITY AND ADVERTISING A WILLINGNESS TO DEAL WITH VIETNAM'S NEW GENERATION OF YOUNG PEOPLE, THE U.S. MESSAGE WAS ONE OF EMPOWERMENT BROUGHT ON BY THE TECHNOLOGICAL CHANGES OF THE NEW CENTURY. IT WAS A PROMISE OF ALMOST UNLIMITED SCOPE AND DURATION BASED ON SHARED INTERESTS AND PERCEPTIONS FOR MODERNIZATION, EXPANDED EDUCATION AND PROSPERITY. BUT THAT OPPORTUNITY TO MAKE MORE PROGRESS HAS SUDDENLY SLIPPED AWAY AND THERE ARE NOW MORE CLOSED WINDOWS TO COOPERATION AS THE RESULT OF HOSTILE PERCEPTIONS OF CONFIDENTIAL
- PAGE 03 HANOI 00762 03 OF 03 031014Z U.S. ACTIONS AND MOTIVES AS WELL AS HOSTILE PERCEPTIONS OF SOME OF VIETNAM'S ACTIVITIES.
- 111. (C) COMMENT: THE STILL FRAGILE NATURE OF THE RELATIONSHIP HAS BEEN COMPLICATED BY POLITICAL TENSIONS INHERENT IN THE VIETNAMESE TRANSITION. IT IS ALSO HAMPERED BY PUBLIC AND PRIVATE PERCEPTIONS IN THE U.S. THAT CONTINUE TO TREAT VIETNAM AS AN ENEMY. SOME LEADERS IN VIETNAM NEED ONLY POINT TO ACTIONS BY VIETNAMESE-AMERICANS OR OTHERS SEEKING TO REVITALIZE PRE-1975 POSITIONS AGAINST THE HANOI AUTHORITIES TO MAKE THEIR CASE. THEY ARGUE THESE ACTIONS REPRESENT THE NATIONAL POLICY OF THE U.S. GOVERNMENT. FURTHERMORE, INDIVIDUAL ACTIONS BY THE USG OR ITS AGENCIES ARE TRANSLATED AS REPRESENTING ONLY U.S. VIEWS OF "RIGHT AND WRONG." THE ACTIONS ARE OFTEN THEN CHARACTERIZED AS HOSTILE TO THE INTERESTS OF VIETNAM OR AS INTERFERENCE IN VIETNAM'S INTERNAL AFFAIRS.
- 112. (C) THE COMBINATION OF THESE PERCEPTIONS HAS RESULTED IN A NUMBER OF SIGNIFICANT FRICTIONS BETWEEN THE TWO COUNTRIES THAT COULD JEOPARDIZE THE NATIONAL PRIORITIES WE HAVE SET TO IMPROVE RELATIONS AND TO MEET GLOBAL GOALS SUCH AS THE PROMOTION OF REGIONAL STABILITY AND HUMAN RIGHTS OBSERVANCE. THE SECOND MESSAGE ON THIS SUBJECT IDENTIFIES VIETNAM'S PERCEPTIONS OF THESE SENSITIVE AREAS. U.S. FAILURE TO PROCEED SENSITIVELY ON THESE ISSUES COULD JEOPARDIZE THE BENEFITS THAT WE HAVE SO RECENTLY ACHIEVED AS THE RESULT OF OUR NORMALIZATION EFFORTS.

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